

ENVIRONMENT OVERVIEW AND SCRUTINY COMMITTEE

Tuesday, 18 June 2019

Present: Councillor C Blakeley (Chair)

Councillors T Cottier T Anderson
G Davies D Burgess-Joyce
K Greaney H Cameron
B Kenny A Hodson
C Muspratt A Brame
S Spoor S Hayes
I Williams

1 MEMBERS' CODE OF CONDUCT - DECLARATIONS OF INTEREST / PARTY WHIP

Members were asked to consider whether they had any disclosable pecuniary interests and/or any other relevant interest in connection with any items on the agenda and, if so, to declare them and state the nature of the interest.

Members were reminded that they should also declare whether they were subject to a party whip in connection with any items to be considered and, if so, to declare it and state the nature of the whipping arrangement.

No such declarations were made.

The Chair informed the Committee that he will not be enforcing the five-minute time limit for speeches.

2 CALLED-IN BUSINESS - FUTURE PROVISION OF GOLF COURSES (PUBLIC PAPERS)

The Chair introduced the item of business 'future Provision of Golf Courses' considered by the Cabinet Members as a delegated decision made on 30 May 2019, the decision relating thereto having been called-in in accordance with Council Procedure Rule / Standing Order 35.

The Chair referred to the procedure for the consideration of called-in business that had been circulated with the agenda. The Committee further received -

- the details of the call-in and reasons submitted;
- The decision notice for the delegated decision; and
- the exempt report considered by the Cabinet Member.

The delegated decision made on 30 May 2019 had been called in by Councillors Ian Lewis, Tom Anderson, Helen Cameron, Chris Blakeley, David Burgess – Joyce, Andrew Hodson on the following grounds:-

“We note the decision to approve the recommended preferred provider and to commence negotiations for a lease transfer of The Warren Golf Course (including The Grange) and Arrowe Park Golf Course but are concerned that:

- Brackenwood Golf Course, which must also be affected by the same issues leading to this decision, is excluded from the decision and any proposed benefits to users and taxpayers
- Accurate financial information for the running costs (including income, expenditure and capital works) for both facilities has not been provided
- The scope of the negotiations has not been defined, in particular, any alternative uses for the land or buildings
- The only consultation outlined is the statutory consultation required by the Local Government Act 1972 and that no meaningful consultation has taken place with existing users and clubs on either facility”.

Councillor Ian Lewis, as Lead Signatory to the call-in, spoke to the Committee and stated that he recognised that the decision had been taken by a newly appointed Cabinet Member and that much of the work had been carried out by the previous Cabinet. He noted that the Cabinet had accepted a report that golf was in decline but he had seen that Sport England had mentioned a rise in numbers playing of 10,000 a year. He had noted that the previous Cabinet had been keen on a new golf resort on land at Hoylake and that the Borough would be hosting the Open. He was concerned that the Council was using a report from 2017 which covered only one of the courses in the decision and that no assessment of the Warren had been undertaken. The lack of financial data for each course had been raised by this Committee in the past, and it knew from other asset transfers that figures can be inaccurate. The figures for Arrowe Park and the Warren suggested that the running costs could be reduced and a lease rental would be gained from the operator who would in turn make a profit, but there was no detail as to how the income would be generated. He would be surprised if the bidder used the 2017 figures. He cited Basildon Golf Club as an example where a similar proposal failed, leading to criticism from auditors and costs to the Council when the court of appeal judged it to have acted unlawfully. Under the proposals for the two courses in the decision, they were both to continue to require taxpayer funding without taxpayers having a say in how the money was to be spent.

Councillor Julie McManus, Cabinet Member for Community Services informed the Committee that the reason for the decision was to save money for the Council which required either ending services, increasing income or finding new ways to deliver them. The decision was made to protect services and protect jobs. She spoke to the issues in the call-in:

- Brackenwood was not included in the decision as it formed part of the Local Plan process and so was for full Council to decide.
- Financial information had been provided at a scrutiny review of the budget proposal in 2018 and that review was provided with all the information. It was not included in this report as it was commercial information but could be provided to Members on request.
- Scope of negotiations – the proposal was to seek an expert operator on a long lease, as discussed with all parties in the scrutiny process in 2018. This was not the final decision and there would be a further opportunity to scrutinise the final proposals when they returned to Cabinet. The decision was to progress the supplier who had provided the strongest bid.
- Consultation – the proposal was published last year and was not opposed at the time. When the Council transitioned to a new supplier, she would make sure users of the service had a full voice.

Councillor McManus responded to Members' questions:

- Commercially sensitive financial information such as staffing costs could be made available for Members.
- No consultation with the Cabinet Member and with Clubs and users had been undertaken so far but there had been consultation and budget scrutiny in the past and would be further opportunity.
- A covenant would ensure that fees remained affordable and courses stayed open.
- There had been no 'managed decline' of courses.
- The intention for employed staff was that they would TUPE across on their existing terms.
- Tenants of The Grange had not received notices to quit or been evicted.
- She was satisfied that the cost estimates provided were accurate.
- Invigor8 membership was to continue.

The witnesses for the Lead Signatory were called up to give statements and answer questions.

Patrick Hickey, Honorary Secretary for Arrowe Park Golf Club, explained that the Club had existed since 1932. Their members had always contributed and raised thousands for Wirral hospice and Claire House. It was a thriving club with membership growing. It had witnessed other Councils offering maintenance contracts, having courses become bankrupt and having to be taken back into Council ownership. Also, there was a practice where a new operator registered a new Club at the course and refused old Clubs the right to play. If Arrowe Park and the Warren courses were leased, that could lead to three clubs disappearing. He asked the Council to reconsider and introduce staff to run the course at a profit.

Mr Hickey responded to Members' questions:

- There had only been one opportunity for consultation and that had been at the request of Mr Hickey.

- There had been insufficient investment in Council staff to improve the standards at the course, although at the moment the course was at a good standard.
- Money from the course did not get reinvested back but went into the general leisure fund of the Council.
- It would help to have conversations with users.
- Invigor8 members were scanned in at the shop and registered their play there.
- The details on other clubs being put out of business was from an association which Arrowe Park was part. Some clubs had new operators who had set their own rules and made profit from secondary activities such as restaurants.
- There were about 120 players at the Club, with about 47 of those over 60.
- Wirral did not need more courses.
- There had been drainage improvements at the course which had improved standards but also made it more attractive to sell.
- Membership had been declining but the course improvements had seen increased membership as it offered better value for money.
- Young people were attracted to pitch and putt where they could learn, practice and grow to like the game. Being public, they could play at the course when they liked.

Keith Marsh, Honorary Secretary of Brackenwood Golf Club, informed the Committee that the Club had been in existence since 1935. He provided an analogy of a landlord buying a nice house and having tenants but not maintaining the property. Brackenwood suffered from being waterlogged in parts and was in the Council's Green Belt Review. It had not had any consultation and he wondered if the Council could run the course at a profit rather than getting a private company to gain that profit. Members had been leaving because of the deterioration of playing conditions. It had intended to host the Municipal Championship in June but had to postpone that due to a deterioration in conditions. Brackenwood provided a golf course, Area of Outstanding Natural Beauty, recreation areas and good air quality.

Mr Marsh responded to Members' questions:

- Brackenwood was more open than other courses and there was an element of people who gain access and start playing without paying. The shop was not open as long as on other courses so may not capture everyone.
- There were active elderly members and there had been a youth section but that had reduced to a single player. People leaving had cited the poor condition of the course, which was due to neglect and a lack of investment.
- It would take money to improve the course but it was an asset and money needed to be spent anyway to maintain it.
- There was little involvement from the Council to the course. The Golf Co-ordinator had stated it was value for money.

- There was a fear that with private investment the club would be closed.

Keith Lewis, Honorary Secretary of the Warren Golf Club and also representing Warren Ladies Golf Club, spoke to Members about the Clubs and course. He said that there had been no consultation on the proposals although he had seen the local Councillors. The Club was the oldest in the UK linked to a 9-hole course and offered an introduction to golf. The clubhouse facilities were in the Grange. The Clubs had invested £15,000 over four years and had seen a growth of 20% in the period, to just under 100 members. He was aware of the financial constraints that the Council faced and the statutory consultation process but was concerned that the facilities would not be protected. The facilities were run by volunteers which helped reduce costs. It was difficult to see how to make money at the course without major investment, but they were happy to work with a new provider.

Mr Lewis responded to Members' questions:

- He could not see the current situation continuing and would want to speak to a new provider.
- The Club had a lease ending in 2022.
- The course was in good condition since it was improved about 18 months ago.
- Money had been invested in the facilities through revenue at the bar and social events and through not having staff costs.

The witnesses for the Cabinet Member were called up to give statements and answer questions.

The Interim Assistant Director Community Services informed Members that over the past 18 months the Council had looked at leisure services partially because of financial pressures, and golf was part of that. The desire was to look at ways of transforming services so they were sustained and potentially improving them. Members of this Committee had a report looking at the potential of going to market. There had been soft market testing of the options, and from that the most likely appeared to be a long-term lease but the detail had to be worked out. After a relatively positive exercise the Cabinet Member decided to begin negotiations. He noted that in the last 18 months there had been a new way of working with a much firmer contractor/client role between Leisure Services staff and Parks/Countryside staff which included a more rigorous attempt to improve the quality of courses. There were differences in quality due to patterns of past investment.

Interim Assistant Director responded to Members' questions:

- It would cost several million to get Brackenwood up to standard.
- The improvement in quality was important to increase the number of players.
- The venues had not been advertised for hospitality purposes in the last 18 months.
- Demand analysis would be needed to see if there were a need for more courses.

- Due diligence would be carried out during the negotiations to see if a provider could provide the facilities.
- There was no specification as to how many of the courses each provider wished to bid for.
- If the contracts were terminated early the courses would revert to the Council, and the details on termination would be part of the negotiations.
- Improving the courses was part of the specification.

The Programme Manager, Business Management, informed the Committee that part of his role was to manage the golf project around Arrowe Park and the Warren. The courses had a history of overspending and took maintenance to remain playable. It was a competitive environment and a report had been taken to cabinet in November 2018. The recommended option was seeking a suitably experienced alternative operator on a long lease to operate them as golf courses, with the Council retaining freehold. There would be further consultation if this progressed. Following a soft market exercise, potential providers submitted proposals which were ranked. The proposals could only be discussed in detail once a decision was made to progress. Wirral was not alone in adopting this course as it generated income and kept courses open.

The Programme Manager responded to Members' questions:

- He had been Programme Manager for 18 months and was aware that the courses had received subsidy and overspent since 2014.
- Brackenwood was not included as it was part of the Local Plan but would be included if Council decided it should. The course had communication links which would make it attractive to investors.
- The agronomists report only mentioned Brackenwood and Arrowe Park as it was concerned with drainage.
- There were lots of variables in the project but providers were experienced providers at other courses. Due diligence could see how they ran those courses. We would seek the approval of Members on any deal which had been negotiated.
- There was not room for another municipal course. The proposal was to enable us to sustain the existing courses and keep them open for residents.
- We could ask bidders to provide their market research about the demand, for municipal golf, during due diligence.

The Principal Accountant informed Members that the budget subsidy for golf courses was £150,000 a year and in the last year, they had overspent by about £9,000. The revenue-saving option was to transfer management to save about £100,000 a year.

The Principal Accountant responded to Members' questions:

- The insurance at different courses varied because of the risk factors.
- The recharge figure would be to fund the supporting activities including the management costs of Leisure Services and the general infrastructure of the Council, including the infrastructure for invigor8.

- If invigor8 members joined at a course, their membership fee would go to that course.

The Head of Communications informed Members that he held a public consultation on budget proposals each year, and for this proposal there had been communication with all of the golf courses. The Council had a large budget shortfall to tackle and the proposal was to do something in a different way, a strategy which never meets with universal approval. With this proposal, the general public expressed little opinion but most were positive, although the Clubs were against it. Their concerns were about the implementation of the decision which is the next stage.

The Head of Communications responded to Members' questions:

- The consultation was clear about which courses were included in the proposal.
- As golf was a niche interest, it was included in the general consultation but there were also conversations with users.

Councillor Ian Lewis, as Lead Signatory, summed up as follows:

This meeting had proved the value of scrutiny. He had been initially concerned about the proposal and that concern was turning into anger. The call-in could have been easily avoided if there had been proper consultation with clubs and users. The lack had allowed rumours to circulate. The clubs had said that a small amount of investment could yield dividends in terms of extra players, and neglect can cause decline. Regarding the soft market testing, no options involved talking to the clubs. Brackenwood improvements costs varied, STRI were clear about costs but said that it was a broad desk-based estimate so there were no accurate figures. By not marketing all four courses together we would not realise economies of scale and it could cause confusion. Protection was said to be covered under covenants, but Members on Planning Committee were aware of how worthless they were. The Grange was a great asset and no mention was made about that. Council tax subsidised every service as well as golf courses for the many and it should be able to maintain the courses.

He questioned the finances being exempt. He accepted that the bids should be, but the running costs had to be available by law, to the public and to the Committee. If the recharge costs included infrastructure and management which the Council was paying that anyway so recharging to courses but not including it in costs with a different provider was wrong. The budget consultation should have included a round table discussion with clubs.

Councillor Julie McManus, as decision maker summed up as follows:

Members were concerned at the finances which had been reviewed already and could be reviewed again. She shared the concerns about the impact on staff and would continue to work with trade unions. Regarding Brackenwood, regardless of the decision tonight, it was to be decided by the whole Council as part of the Local Plan before it could be included. The consultation had been delivered and would be done in future with users about the decision

impact. This was not the last decision – it was letting the officers get on with the budget Council decision, to find an expert operator with which they could go into detailed negotiations and she would fully engage with this Committee during the process. She was disappointed with the answers from the Council officers. All the questions asked by Councillors would be answered in writing within a week.

The Chair moved a motion ‘that this Committee requests the Cabinet Member to pause the process for the future provision of golf courses in Wirral while the Members of this Environment Overview and Scrutiny Committee carry out a fact-finding visit to all four municipal courses – Hoylake, Arrowe Park, The Warrens and Brackenwood. On conclusion of that fact-finding visit the Environment Committee will meet again at a date to be determined to make a final recommendation to the Cabinet Member.’

This was seconded by Councillor Muspratt and put to the vote, where it was carried.

RESOLVED:

that this Committee requests the Cabinet Member to pause the process for the future provision of golf courses in Wirral while the Members of this Environment Overview and Scrutiny Committee carry out a fact-finding visit to all four municipal courses – Hoylake, Arrowe Park, The Warrens and Brackenwood. On conclusion of that fact-finding visit the Environment Committee will meet again at a date to be determined to make a final recommendation to the Cabinet Member.